BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

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SECRETARY, BOARD OF OIL, GAS & MINING

NOTICE OF AGENCY ACTION FOR AN ORDER REQUIRING MARION ENERGY TO PLUG AND RECLAIM WELLS; OR FORFEIT SURETY BOND AND AUTHORIZE THE DIVISION TO PLUG AND RECLAIM WELLS LOCATED IN TOWNSHIPS 13 AND 14 SOUTH, RANGE 7 EAST, CARBON COUNTY, UTAH.

NOTICE OF HEARING

Docket No. 2011-018 Cause No. 250-02

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THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on WEDNESDAY, October 26, 2011, at 9:00 AM, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq. and as provided for in Utah Code Ann. § 40-6-1 et seq. and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the hearing will be for the Board to receive testimony and evidence regarding a Notice of Agency Action that the Board enter an Order:

- 1. Requiring compliance by Marion Energy with the Stipulated Order and Settlement Agreement as supplemented by the Division Order dated September 11, 2007; to wit: requiring the plugging of the wells identified in said Division Order; and
- 2. In the event of the failure of Marion to contract for and commence such action within 30 days of the Board's Order, entry of an Order forfeiting to the Division the surety bond of \$184,180 for the plugging of the wells subject to the Stipulated Order and authorizing and directing the Division to take such actions as are necessary to plug and properly reclaim the wells; and
- 3. Authorizing a suit by the Board in the name of the State against persons violating the Division Orders as permitted by Utah Code §§40-6-11(3) and (4)(2011) including recovery of civil penalties and recovery of any costs of closure and plugging of the identified wells in excess of the amount of the bonding; and
- 4. Providing such other relief as may be just and equitable under the circumstances.

Objections to the Notice of Agency Action must be filed with the Secretary of the Board at the address listed below no later than the 10th day of the month, or two weeks before the scheduled hearing, whichever is earlier. A party must file a timely written objection or other response in order to participate as a party at the Board hearing.

Natural persons may appear and represent themselves before the Board. All other representation by parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 27th day of September, 2011.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING
James T. Jensen, Chairman

Julie Ann Carter Secretary to the Board

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5277

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2011-018, Cause No. 250-02 to be mailed with postage prepaid, this 28th day of September, 2011, to the following:

Michael S. Johnson Assistant Attorneys General Utah Board of Oil, Gas & Mining 1594 West North Temple, Suite 300 Salt Lake City, UT 84116 [Via Email]

Steven F. Alder Assistant Attorneys General Utah Division of Oil, Gas & Mining 1594 West North Temple, Suite 300 Salt Lake City, UT 84116 [Via Email]

Relma M. Miller BEATTY & WOZNIAK, PC Attorneys for Petitioner 6925 Union Park Center, Suite 525, Cottonwood Heights, Utah 84047 Marion Energy Unlimited ^C/_O Mr. Keri Clarke 901 North McDonald St, Suite 601 McKinney, Texas 75069-2157

U.S. Specialty Insurance Company 13403 Northwest Freeway Houston, Texas 77040

Julie Ann Cartar

CERTIFICATE OF PUBLISHED NOTICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2011-018, Cause No. 250-02 to be PUBLISHED in the following newspapers on the following days:

October 2, 2011:

<u>The Salt Lake Tribune</u> and <u>Deseret Morning News</u>, newspapers of general circulation in Salt Lake City and County.

October 4, 2011:

Sun Advocate, a newspaper of general circulation in Carbon County.

Julia Ann Cartar